

# ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY



G-01551A  
SOUTHWEST GAS CORPORATION  
5241 SPRING MOUNTAIN ROAD  
PO BOX 98510  
LAS VEGAS NV 89193-8510

ARIZONA CORPORATION  
COMMISSION

APR 14 2003

## ANNUAL REPORT

Director of Utilities

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 02	02
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*2002  
4-15-03  
G.M.  
2002  
annual report  
db update  
G.M.*

15 APR 2003

1 JK

## COMPANY INFORMATION

<b>Company Name (Business Name)</b>		SOUTHWEST GAS CORPORATION	
<b>Mailing Address</b>		5241 SPRING MOUNTAIN ROAD	
(Street)			
LAS VEGAS	NEVADA	89150	
(City)	(State)	(Zip)	
(702) 876-7083	(702) 364-3446	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b>		SWGAS.COM	
<b>Local Office Mailing Address</b>		P.O. BOX 98510	
(Street)			
LAS VEGAS	NEVADA	89193-8510	
(City)	(State)	(Zip)	
(702) 876-7083	(702) 364-3446	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b>		SWGAS.COM	

## MANAGEMENT INFORMATION

<b>Management Contact:</b>		ROY R. CENTRELLA		VP/CONTROLLER/CAO	
		(Name)		(Title)	
P.O. BOX 98510	LAS VEGAS	NEVADA	89193-8510		
(Street)	(City)	(State)	(Zip)		
(702) 876-7083	(702) 364-3446	N/A			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)			
<b>Email Address</b>		ROY.CENTRELLA@SWGAS.COM			
<b>On Site Manager:</b>		Central: JAMES F. LOWMAN			
		Southern: CHRISTINA A. PALACIOS			
		(Name)			
Central: P.O. BOX 52075	PHOENIX	ARIZONA	85072-2075		
Southern: P.O. BOX 26500	TUCSON	ARIZONA	85726-6500		
(Street)	(City)	(State)	(Zip)		
Central: (602) 395-4079	(602) 861-3361	N/A			
Southern: (520) 794-6575	(520) 295-1991	N/A			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)			
<b>Email Address</b>		Central: JIM.LOWMAN@SWGAS.COM			
		Southern: CHRIS.PALACIOS@SWGAS.COM			

**Statutory Agent:** CHERYL L. BOONE

10851 N. BLACK CANYON HWY. PHOENIX ARIZONA 85029  
(Street) (City) (State) (Zip)

(602) 395-4032 (602) 861-3361 N/A  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** ANDREW W. BETTWY

P.O. BOX 98510 LAS VEGAS NEVADA 89193-8510  
(Street) (City) (State) (Zip)

(702) 876-7107 (702) 252-7283 N/A  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certified to provide service:

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> APACHE            | <input checked="" type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO            |
| <input checked="" type="checkbox"/> GILA   | <input checked="" type="checkbox"/> GRAHAM   | <input checked="" type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO            | <input checked="" type="checkbox"/> PIMA     | <input checked="" type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ        | <input type="checkbox"/> YAVAPAI             | <input checked="" type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE         |  |  |

## SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

☐

**Electric**

☐

Investor Owned Electric

☐

Rural Electric Cooperative

☐

Electric Service Provider

☐

Transmission Service Provider

☐

Utility Distribution Company

☐

Meter Service Provider

☐

Meter Reading Service Provider

☐

Billing and Collection

☐

Ancillary Services

☐

**Telecommunications**

☐

Incumbent Local Exchange Carrier

☐

Interexchange Carrier

☐

Competitive Local Exchange Carrier

☐

Reseller

☐

Alternative Operator Service Provider

☒

**Gas**

☒

Natural Gas

☐

Propane

☐

**Other (Specify)** \_\_\_\_\_

## STATISTICAL INFORMATION (ARIZONA ONLY)

### GAS UTILITIES ONLY

Total number of customers

**811,715**

Residential

**770,403**

Commercial

**40,093**

Industrial

**307**

Irrigation

**603**

Other

**14**

Transportation

**295**

Total therms sold

**712,403,740**

therms

Residential

**266,416,400**

Commercial

**217,176,860**

Industrial

**53,645,420**

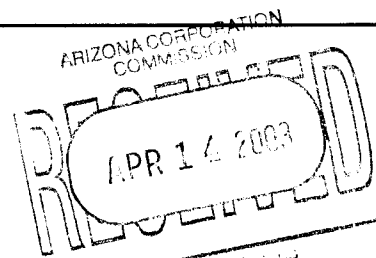
Irrigation

**20,927,470**

Other

**154,237,590**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**



**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)	
COCHISE, GILA, GRAHAM, GREENLEE, LAPAZ, MARICOPA, MOHAVE, PIMA, PINAL & YUMA	
NAME (OWNER OR OFFICIAL) TITLE	
ROY R. CENTRELLA	VP/CONTROLLER/CAO
COMPANY NAME	
SOUTHWEST GAS CORPORATION	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \*\*

**\$698,458,413**

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 45,954,121  
IN SALES TAXES BILLED  
OR COLLECTED)

\*\* REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

X

SIGNATURE OF OWNER OR OFFICIAL

**(702) 876-7083**

TELEPHONE NUMBER

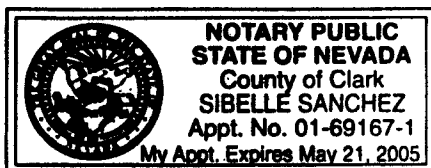
**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

10<sup>th</sup>

**DAY OF**



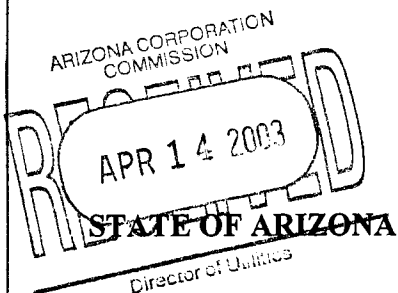
NOTARY PUBLIC NAME	
Sibelle Sanchez	
COUNTY NAME	
Clark	
MONTH	YEAR
April	20 03

SIGNATURE OF NOTARY PUBLIC

(SEAL)

**MY COMMISSION EXPIRES**

May 21, 2005



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**I, THE UNDERSIGNED  
OF THE**

(COUNTY NAME)	
COCHISE, GILA, GRAHAM, GREENLEE, LAPAZ, MARICOPA, MOHAVE, PIMA, PINAL & YUMA	
NAME (OWNER OR OFFICIAL)	TITLE
ROY R. CENTRELLA	VP/CONTROLLER/CAO
COMPANY NAME	
SOUTHWEST GAS CORPORATION	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2002

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND  
RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND  
DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND  
AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO  
EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE,  
INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01,  
ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING  
REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS  
RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:**

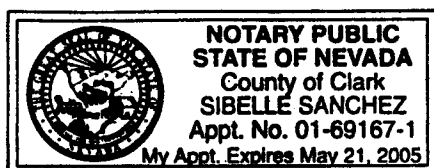
ARIZONA INTRASTATE GROSS OPERATING REVENUES*
\$366,552,866

**(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 24,511,680 IN SALES  
TAXES BILLED, OR COLLECTED.)**

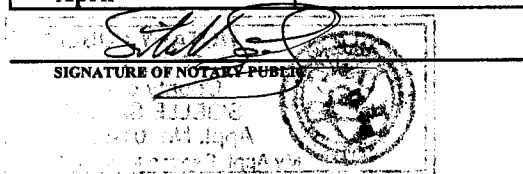
**\* RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

**X**   
SIGNATURE OF OWNER OR OFFICIAL

**SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 10<sup>th</sup> DAY OF**



NOTARY PUBLIC NAME	
Sibelle Sanchez	
COUNTY NAME	
Clark	
MONTH	YEAR
April	20 03



**(SEAL)  
MY COMMISSION EXPIRES**

May 21, 2005

# FIGURE 1A

## ARIZONA CORPORATION COMMISSION

### UTILITIES DIVISION

### ANNUAL REPORT

Company Name: Southwest Gas Corporation

**INTRASTATE INCOME STATEMENT ONLY**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>Account Description</u>	<u>\$ Amount</u>
Revenues:	\$ 652,504,292
Operating Expenses:	589,723,222 *
Operating Income:	<u>\$ 62,781,070 *</u>
Net Income:	<u>\$ 19,832,682 *</u>

\* Amount includes allocations of common expenses.

## FIGURE 2

### ARIZONA CORPORATION COMMISSION

#### UTILITIES DIVISION

#### ANNUAL REPORT

Company Name: Southwest Gas Corporation

#### BALANCE SHEET AS OF DECEMBER 31, 2002

<u>Account Description</u>	<u>\$ Amount</u>
<b><u>ASSETS</u></b>	
Property, Plant & Equipment, Net - Arizona Only	\$ 1,001,236,221
Current Assets - Total Company	\$ 261,768,163 *
Total Assets - Total Company	\$ 2,377,928,325 *
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>	
Capitalization - Total Company	\$ 1,748,314,542 *
Current Liabilities - Total Company	\$ 313,181,101 *
Total Liabilities and Stockholders' Equity - Total Company	\$ 2,377,928,325 *

\* Item not allocable to Arizona only, therefore, the total Company amount is presented.



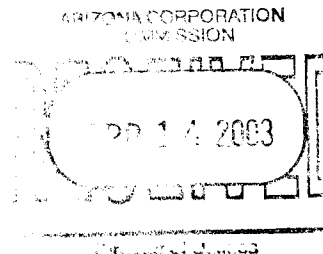


**SOUTHWEST GAS CORPORATION**

Roy R. Centrella, Vice President/Controller/Chief Accounting Officer

April 10, 2003

Arizona Corporation Commission  
Utilities Division  
1200 West Washington Street – Suite 206  
Phoenix, Arizona 85007



Ladies and Gentlemen:

Southwest Gas Corporation herewith files the original Utilities Division Annual Report of Southwest Gas Corporation for the year ended December 31, 2002. Also included is a copy of the Paiute Pipeline Company FERC Form 2-A for the year ended December 31, 2002 and one copy of the 2002 Annual Report to Shareholders.

Sincerely,

cm

Enclosures

U:\EXTRPT\State\Az\2002\VACC Letter.doc

Check appropriate box:

☐ An Original Signed Form

☒ Conformed Copy

Form Approved  
OMB No. 1902-0030  
(Expires 4/30/2005)



# FERC Form No. 2-A ANNUAL REPORT OF NONMAJOR NATURAL GAS COMPANIES

This report is mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR 260.1. Failure to report may result in criminal fines, civil penalties, another sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

**Exact Legal Name of Respondent (Company)**

Paiute Pipeline Company

**Year of Report**

Dec. 31, 2002

## Report of Independent Accountants

To the Board of Directors of Paiute Pipeline Company:

We have audited the balance sheet of Paiute Pipeline Company (the "Company") as of December 31, 2002, and the related statements of income, of retained earnings, and of cash flows for the year then ended included on pages 110 through 122 of the accompanying Federal Energy Regulatory Commission Form No. 2-A. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Paiute Pipeline Company as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. The financial statements of the Company as of December 31, 2001 and for the year then ended were audited by other independent accountants who have ceased operations. Those independent accountants expressed an unqualified opinion on those statements in their report dated February 8, 2002.

This report is intended solely for the information and use of the Board of Directors and management of Paiute Pipeline Company and the Federal Energy Regulatory Commission and should not be used for any other purpose.



March 29, 2003

## ANNUAL REPORT OF NON-MAJOR NATURAL GAS COMPANIES

## IDENTIFICATION

01 Exact Legal Name of Respondent

Paiute Pipeline Company

02 Year of Report

Dec. 31, 2002

03 Previous Name and Date of Change (If name changed during year)

04 Address of Principal Office at End of Year (Street, City, State, Zip Code)

5241 Spring Mountain Road, Las Vegas, Nevada 89150

05 Name of Contact Person

Edward C. McMurtrie

06 Title of Contact Person

Vice President / General Manager

07 Address of Contact Person (Street, City, State, Zip Code)

P.O. Box 94197, Las Vegas, Nevada 89193-4197

08 Telephone of Contact Person, Including Area Code

702-876-7109

This Report Is:

(1) ☒ An Original(2) ☐ A Resubmission

10 Date of Report

(Mo, Da, Yr)

11 Name of Officer Having Custody of the Books of Account

Edward C. McMurtrie

12 Title of Officer

Vice President / General Manager

13 Address of Officer Where Books of Accounts Are Kept (Street, City, State, Zip Code)

5241 Spring Mountain Road, Las Vegas, Nevada 89150

14 Name of State Where Respondent is Incorporated

NV

15 Date of Incorporation (Mo, Da, Yr)

03/13/1987

16 If applicable Reference Law Incorporated Under

N/A

17 Explanation of Manner and Extent of Corporate Control (If the respondent controls or is controlled by any other corporation, business trust, or similar organization)

Paiute Pipeline Company is a wholly owned subsidiary of Southwest Gas Corporation.

## ATTESTATION

The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.

18 Name

Edward C. McMurtrie

19 Title

Vice President / General Manager

20 Signature



21 Date Signed

/ / 3-31-03

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.



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[Next page is 110]

Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
Comparative Balance Sheet (Assets and Other Debits)					
Line No.	Title of Account  (a)	Reference Page Number  (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)	
1	<b>UTILITY PLANT</b>				
2	Utility Plant (101-106, 114)	200-201	119,823,348	118,403,072	
3	Construction Work in Progress (107)	200-201	283,679	473,923	
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	120,107,027	118,876,995	
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		43,129,442	39,527,467	
6	Net Utility Plant (Total of line 4 less 5)		76,977,585	79,349,528	
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0	
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0	
9	Nuclear Fuel (Total of line 7 less 8)		0	0	
10	Net Utility Plant (Total of lines 6 and 9)		76,977,585	79,349,528	
11	Utility Plant Adjustments (116)	122	0	0	
12	Gas Stored-Base Gas (117.1)	220	0	0	
13	System Balancing Gas (117.2)	220	0	0	
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0	
15	Gas Owned to System Gas (117.4)	220	0	0	
16	<b>OTHER PROPERTY AND INVESTMENTS</b>				
17	Nonutility Property (121)		341,023	341,023	
18	(Less) Accum. Provision for Depreciation and Amortization (122)		0	0	
19	Investments in Associated Companies (123)	222-223	0	0	
20	Investments in Subsidiary Companies (123.1)	224-225	0	0	
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)				
22	Noncurrent Portion of Allowances		0	0	
23	Other Investments (124)	222-223	0	0	
24	Special Funds (125 thru 128)		0	0	
25	TOTAL Other Property and Investments (Total of lines 17-20, 22-24)		341,023	341,023	
26	<b>CURRENT AND ACCRUED ASSETS</b>				
27	Cash (131)		109,325	48,153	
28	Special Deposits (132-134)		0	0	
29	Working Funds (135)		0	0	
30	Temporary Cash Investments (136)	222-223	0	0	
31	Notes Receivable (141)		0	0	
32	Customer Accounts Receivable (142)		1,706,765	2,540,982	
33	Other Accounts Receivable (143)		0	0	
34	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		0	0	
35	Notes Receivable from Associated Companies (145)		0	0	
36	Accounts Receivable from Associated Companies (146)		4,675,501	4,770,351	
37	Fuel Stock (151)		0	0	
38	Fuel Stock Expenses Undistributed (152)		0	0	
39	Residuals (Elec) and Extracted Products (Gas) (153)		0	0	
40	Plant Materials and Operating Supplies (154)		0	0	
41	Merchandise (155)		0	0	
42	Other Materials and Supplies (156)		0	0	
43	Nuclear Materials Held for Sale (157)		0	0	

Name of Respondent Paiute Pipeline Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, <u>2002</u>
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**Comparative Balance Sheet (Assets and Other Debits)(continued)**

Line No.	Title of Account  (a)	Reference Page Number  (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)
44	Allowances (158.1 and 158.2)		0	0
45	(Less) Noncurrent Portion of Allowances		0	0
46	Stores Expense Undistributed (163)		0	0
47	Gas Stored Underground-Current (164.1)	220	0	0
48	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	267,550	267,550
49	Prepayments (165)	230	0	0
50	Advances for Gas (166 thru 167)		0	0
51	Interest and Dividends Receivable (171)		0	0
52	Rents Receivable (172)		0	0
53	Accrued Utility Revenues (173)		0	0
54	Miscellaneous Current and Accrued Assets (174)		0	0
55	Derivative Instrument Assets (175)		0	0
56	Derivative Instrument Assets - Hedges (176)		0	0
57	TOTAL Current and Accrued Assets (Total of lines 27 thru 54)		6,759,141	7,627,036
58	<b>DEFERRED DEBITS</b>			
59	Unamortized Debt Expense (181)		0	0
60	Extraordinary Property Losses (182.1)	230	0	0
61	Unrecovered Plant and Regulatory Study Costs (182.2)	230	1,661,176	1,661,176
62	Other Regulatory Assets (182.3)	232	2,026,670	592,412
63	Preliminary Survey and Investigation Charges (Electric)(183)		0	0
64	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		747,622	388,731
65	Clearing Accounts (184)		0	0
66	Temporary Facilities (185)		0	0
67	Miscellaneous Deferred Debits (186)	233	0	0
68	Deferred Losses from Disposition of Utility Plant (187)		0	0
69	Research, Development, and Demonstration Expend. (188)		0	0
70	Unamortized Loss on Reacquired Debt (189)		0	0
71	Accumulated Deferred Income Taxes (190)	234-235	140,883	217,129
72	Unrecovered Purchased Gas Costs (191)		0	0
73	TOTAL Deferred Debits (Total of lines 59 thru 72)		4,576,351	2,859,448
74	TOTAL Assets and Other Debits (Total of lines 10-15,25,57,and 73)		88,654,100	90,177,035



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Page 114



Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
<b>Statement of Income for the Year(continued)</b>					
Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)	
25	Net Utility Operating Income (Carried forward from page 114)		5,498,259	5,837,803	
26	<b>OTHER INCOME AND DEDUCTIONS</b>				
27	Other Income				
28	Nonutility Operating Income				
29	Revenues form Merchandising, Jobbing and Contract Work (415)		0	0	
30	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		0	0	
31	Revenues from Nonutility Operations (417)		0	0	
32	(Less) Expenses of Nonutility Operations (417.1)		0	0	
33	Nonoperating Rental Income		0	0	
34	Equity in Earnings of Subsidiary Companies (418.1)	119	0	0	
35	Interest and Dividend Income (419)		0	7,267	
36	Allowance for Other Funds Used During Construction (419.1)		1,646	4,698	
37	Miscellaneous Nonoperating Income (421)		0	0	
38	Gain on Disposition of Property (421.1)		0	0	
39	TOTAL Other Income (Total of lines 29 thru 38)		1,646	11,965	
40	Other Income Deductions				
41	Loss on Disposition of Property (421.2)		0	0	
42	Miscellaneous Amortization (425)		0	0	
43	Miscellaneous Income Deductions (426.1 thru 426.5)	340	5,000	0	
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)	340	5,000	0	
45	Taxes Applicable to Other Income and Deductions				
46	Taxes Other than Income Taxes (408.2)	262-263	0	0	
47	Income Taxes-Federal (409.2)	262-263	( 1,174)	4,188	
48	Income Taxes-Other (409.2)	262-263	0	0	
49	Provision for Deferred Income Taxes (410.2)	234-235	0	0	
50	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	0	0	
51	Investment Tax Credit Adjustments-Net (411.5)		0	0	
52	(Less) Investment Tax Credits (420)		0	0	
53	TOTAL Taxes on Other Income and Deductions (Total of lines 46-52)		( 1,174)	4,188	
54	Net Other Income and Deductions (Total of lines 39, 44, 53)		( 2,180)	7,777	
55	<b>INTEREST CHARGES</b>				
56	Interest on Long-Term Debt (427)		0	0	
57	Amortization of Debt Disc. and Expense (428)	258-259	0	0	
58	Amortization of Loss on Reacquired Debt (428.1)		0	0	
59	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	
60	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	
61	Interest on Debt to Associated Companies (430)	340	1,627,688	2,332,106	
62	Other Interest Expense (431)	340	0	0	
63	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		1,793	54,841	
64	Net Interest Charges (Total of lines 56 thru 63)		1,625,895	2,277,265	
65	Income Before Extraordinary Items (Total of lines 25,54 and 64)		3,870,184	3,568,315	
66	<b>EXTRAORDINARY ITEMS</b>				
67	Extraordinary Income (434)		0	0	
68	(Less) Extraordinary Deductions (435)		0	0	
69	Net Extraordinary Items (Total of line 67 less line 68)		0	0	
70	Income Taxes-Federal and Other (409.3)	262-263	0	0	
71	Extraordinary Items after Taxes (Total of line 69 less line 70)		0	0	
72	Net Income (Total of lines 65 and 71)		3,870,184	3,568,315	

Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
<b>Statement of Retained Earnings for the Year</b>					
1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year. 2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b). 3. State the purpose and amount for each reservation or appropriation of retained earnings. 4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order. 5. Show dividends for each class and series of capital stock.					
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Year Amount (in dollars) (c)	Previous Year Amount (in dollars) (d)	
	UNAPPROPRIATED RETAINED EARNINGS				
1	Balance-Beginning of Year		30,960,849	27,392,534	
2	Changes (Identify by prescribed retained earnings accounts)				
3	Adjustments to Retained Earnings (Account 439)				
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)				
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)				
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		3,870,184	3,568,315	
7	Appropriations of Retained Earnings (Account 436)				
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)				
9	Dividends Declared-Preferred Stock (Account 437)				
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)				
11	Dividends Declared-Common Stock (Account 438)				
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)				
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings				
14	Balance-End of Year (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		34,831,033	30,960,849	
	APPROPRIATED RETAINED EARNINGS (Account 215)				
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)				
	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)				
17	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account				
18	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines				
19	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		34,831,033	30,960,849	
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)				
20	Balance-Beginning of Year (Debit or Credit)				
21	Equity in Earnings for Year (Credit) (Account 418.1)				
22	(Less) Dividends Received (Debit)				
23	Other Changes (Explain)				
24	Balance-End of Year				

Name of Respondent Paiute Pipeline Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
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Statement of Cash Flows			
1. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet. 2. Under "Other" specify significant amounts and group others. 3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized) and income taxes paid. 4. Investing Activities: Include at Other (Line 27) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122. Do not include on this statement the dollar amount of leases capitalized per U.S. of A. General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122.			

Line No.	Description (See Instructions for explanation of codes)	Current Year Amount (b)	Previous Year Amount (c)
	(a)		
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 72(c) on page 116)	3,870,184	3,568,315
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	3,722,139	3,671,652
5	Amortization of (Specify)	286,572	163,258
6	Deferred Income Taxes (Net)	1,689,155	769,256
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	929,067	( 240,626)
9	Net (Increase) Decrease in Inventory		
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	( 2,913,927)	1,165,119
12	Net (Increase) Decrease in Other Regulatory Assets	( 1,434,258)	241,284
13	Net Increase (Decrease) in Other Regulatory Liabilities		
14	(Less) Allowance for Funds Used During Construction	1,646	4,698
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other	( 1,049,103)	137,847
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16.?)	5,098,183	9,471,407
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	( 1,625,672)	( 1,619,570)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	1,646	4,698
27	Net Salvage	( 7,804)	( 23,028)
28	Cash Outflows for Plant (Total of lines 22 thru 27.?)	( 1,635,122)	( 1,647,296)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, <u>2002</u>
<b>Statement of Cash Flows (continued)</b>				
Line No.	Description (See Instructions for explanation of codes) (a)	Current Year Amount (b)	Previous Year Amount (c)	
40	Loans Made or Purchased			
41	Collections on Loans			
42				
43	Net (Increase) Decrease in Receivables			
44	Net (Increase) Decrease in Inventory			
45	Net (Increase) Decrease in Allowances Held for Speculation			
46	Net Increase (Decrease) in Payables and Accrued Expenses			
47	Other:			
48	Net Cash Provided by (Used in) Investing Activities			
49	(Total of lines 28 thru 47.)	( 1,635,122)	( 1,647,296)	
50				
51	Cash Flows from Financing Activities:			
52	Proceeds from Issuance of:			
53	Long-Term Debt (b)			
54	Preferred Stock			
55	Common Stock			
56	Other:			
57	Net Increase in Short-Term Debt (c)			
58	Other:			
59	Cash Provided by Outside Sources (Total of lines 53 thru 58.)			
60				
61	Payments for Retirement of:			
62	Long-Term Debt (b)			
63	Preferred Stock			
64	Common Stock			
65	Other:			
66	Net Decrease in Short-Term Debt (c)	( 3,401,889)	( 7,897,899)	
67				
68	Dividends on Preferred Stock			
69	Dividends on Common Stock			
70	Net Cash Provided by (Used in) Financing Activities			
71	(Total of lines 59 thru 69)	( 3,401,889)	( 7,897,899)	
72				
73	Net Increase (Decrease) in Cash and Cash Equivalents			
74	(Total of line 18, 49 and 71)	61,172	( 73,788)	
75				
76	Cash and Cash Equivalents at Beginning of Year	48,153	121,941	
77				
78	Cash and Cash Equivalents at End of Year	109,325	48,153	



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec 31, 2002
Paiute Pipeline Company			
<b>Notes to Financial Statements</b>			

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets.
4. Where Account 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
5. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
7. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
8. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
9. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

**A. Notes to Financial Statements**

*Note 1: General*

Paiute Pipeline Company (Paiute), a wholly owned subsidiary of Southwest Gas Corporation, is a natural gas transmission company subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). Accounting records are maintained in accordance with the FERC Uniform System of Accounts. Paiute operates a transmission system extending from the Idaho-Nevada border to the Reno, Sparks, and Carson City areas and communities in northern and western Nevada. Paiute provides transportation services to Sierra Pacific Power Company in Reno and Sparks, Nevada; Avista Utilities in South Lake Tahoe, California; Southwest Gas Corporation in North Lake Tahoe, California and various locations throughout northern Nevada. In addition, transportation service is provided through firm contracts and capacity release to several large commercial and industrial customers in northern Nevada. The Paiute system includes an LNG facility, which is used to provide third-party gas storage services on a contract basis.

**B. Notes to Comparative Balance Sheet and Statement of Income**

*Note 2: Summary of Accounting Policies*

Gas Utility Plant is stated at cost, less contributions in aid of construction which are netted against Gas Plant. Original cost includes contracted services, material, payroll, and related costs such as taxes and benefits, general and administrative expenses, and an allowance for funds used during construction (AFUDC). The AFUDC rate includes both a debt and equity component.

Depreciation and amortization are computed utilizing the straight-line remaining-life method at rates considered sufficient to amortize costs over estimated service lives.

Gas inventories – The gas stored balance of \$267,550, reflected on the balance sheet, represents LNG cushion gas owned by Paiute and is valued under the average cost method.

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<b>Notes to Financial Statements</b>			

Income Taxes - Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

**Note 3: LNG Storage Facility**

Paiute leases the Harold G. Laub Plant and 61 miles of transmission main in northern Nevada. In July 2002, Paiute provided notice to the Lessor of the election to exercise the option to renew the Lease for one 2.5-year term. The new term will commence on January 6, 2003 and will end on July 6, 2005. The renewed rental payments amount to \$3.3 million annually and \$8.3 million in aggregate. In 2002, the rental payment was \$6.7 million. The lease is accounted for as an operating lease and is treated as such for regulatory purposes.

**Note 4: Income Taxes**

The effective income tax rate for 2002 and 2001 varies from the federal statutory income tax rate. The sources of these differences and the effect of each are summarized as follows:

	<u>2002</u>	<u>2001</u>
Federal statutory income tax rate	35.0%	35.0%
Property-related items	-1.9%	2.7%
Other	0.0%	0.1%
Consolidated effective income tax rate	<u>33.1%</u>	<u>37.8%</u>

Deferred tax assets and liabilities consisted of the following:

	<u>2002</u>	<u>2001</u>
Other deferred tax assets:	<u>\$ 140,883</u>	<u>\$ 217,129</u>
Property-related items, including accelerated depreciation	\$ 13,465,129	\$ 13,424,783
Property-related items previously flowed-through	2,026,670	592,412
Other	<u>764,530</u>	<u>626,225</u>
	16,256,329	14,643,420
Deferred tax assets reclassified to account 190	<u>(140,883)</u>	<u>(217,129)</u>
Net deferred tax liabilities	<u>\$ 16,115,446</u>	<u>\$ 14,426,291</u>

Prior to 1981, federal income tax expense was reduced to reflect additional depreciation and other deductions claimed for income tax purposes (flow-through method). Subsequently, deferred taxes have been provided for all differences between book and taxable income (normalization method). The FERC has allowed the recovery of previously flowed-through income tax benefits on property-related items by means of increased federal income tax expense in determining cost of service for ratemaking purposes. Pursuant to Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes," a deferred tax liability and corresponding regulatory asset of \$2,026,670 is included in the financial statements at December 31, 2002 to reflect the expected recovery of income tax benefits previously flowed-through.

**Note 5: Accounting for Payroll Taxes and Benefit Costs**

In 1994, the FERC Division of Audits examined the books and records of Paiute from January 1989 through December 1993. At the conclusion of the examination, the FERC recommended a revision in accounting procedures such that payroll taxes would be reported in Account 408.1 (Taxes Other Than Income Taxes) and benefit costs in Account 926.0 (Employee Pensions and Benefits) for Form 2-A purposes. Paiute charges these expenses directly to the various operations and maintenance expense accounts based on a labor loading in its accounting records. In compliance with the recommendation of the FERC, Paiute has reduced the amounts reported in operations and maintenance expenses related to payroll taxes and benefit costs and reported payroll taxes in Account 408.1 and benefit costs in the administrative and general section of operations expense.

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Notes to Financial Statements			

**C. Notes to Comparative Balance Sheet**

*Note 6: Notes and Accounts Receivable*

The balance in Accounts Receivable from Associated Companies is a receivable from Southwest Gas Corporation.

*Note 7: Notes and Accounts Payable*

The balances in Notes Payable to Associated Companies and Accounts Payable to Associated Companies are payables to Southwest Gas Corporation.

*Note 8: Preliminary Survey and Investigation Charges*

Approximately \$389,000 of this balance represents preliminary survey and investigation (PS&I) expenses associated with proposed capacity expansion projects in northern Nevada. The projects are in the preliminary stages with no determination to date as to whether construction will proceed. The balance of the PS&I charges are associated with the 2003 Paiute Expansion Project. The balance is scheduled to be transferred to construction work in progress during the second quarter of 2003.

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**[Next page is 204]**

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**Gas Plant in Service (Accounts 101, 102, 103, and 106)**

- Report below the original cost of gas plant in service according to the prescribed accounts.
- In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
- Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
- Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents	60,639	
4	303 Miscellaneous Intangible Plant	816,273	506,721
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	876,912	506,721
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	TOTAL Production and Gathering Plant (Enter Total of lines 8		
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights		
29	341 Structures and Improvements		
30	342 Extraction and Refining Equipment		
31	343 Pipe Lines		
32	344 Extracted Products Storage Equipment		
33	345 Compressor Equipment		

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**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account

classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				
3				60,639
4				1,322,994
5				1,383,633
6				
7				
8				
9				
10				
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**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	346 Gas Measuring and Regulating Equipment		
35	347 Other Equipment		
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)		
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and		
38	Manufactured Gas Production Plant (Submit Supplementary		
39	TOTAL Production Plant (Enter Total of lines 37 and 38)		
40	NATURAL GAS STORAGE AND PROCESSING PLANT		
41	Underground Storage Plant		
42	350.1 Land		
43	350.2 Rights-of-Way		
44	351 Structures and Improvements		
45	352 Wells		
46	352.1 Storage Leaseholds and Rights		
47	352.2 Reservoirs		
48	352.3 Non-recoverable Natural Gas		
49	353 Lines		
50	354 Compressor Station Equipment		
51	355 Other Equipment		
52	356 Purification Equipment		
53	357 Other Equipment		
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru		
55	Other Storage Plant		
56	360 Land and Land Rights	78,389	
57	361 Structures and Improvements	1,367,587	
58	362 Gas Holders		
59	363 Purification Equipment		
60	363.1 Liquefaction Equipment		
61	363.2 Vaporizing Equipment	165,737	
62	363.3 Compressor Equipment		
63	363.4 Measuring and Regulating Equipment		
64	363.5 Other Equipment	1,966,344	221,343
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	3,578,057	221,343
66	Base Load Liquefied Natural Gas Terminating and Processing Plant		
67	364.1 Land and Land Rights		
68	364.2 Structures and Improvements		
69	364.3 LNG Processing Terminal Equipment		
70	364.4 LNG Transportation Equipment		
71	364.5 Measuring and Regulating Equipment		
72	364.6 Compressor Station Equipment		
73	364.7 Communications Equipment		
74	364.8 Other Equipment		
75	TOTAL Base Load Liquefied Nat'l Gas, Terminating and		
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54,	3,578,057	221,343
77	TRANSMISSION PLAN		
78	365.1 Land and Land Rights	661	
79	365.2 Rights-of-Way	195,464	
80	366 Structures and Improvements	750,525	

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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)					
Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56				78,389	
57				1,367,587	
58					
59					
60					
61				165,737	
62					
63					
64	480			2,187,207	
65	480			3,798,920	
66					
67					
68					
69					
70					
71					
72					
73					
74					
75					
76	480			3,798,920	
77					
78				661	
79				195,464	
80				750,525	



Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
Gas Plant In Service (Accounts 101, 102, 103, and 106) (continued)					
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)		
81	367 Mains	78,422,572	87,868		
82	368 Compressor Station Equipment	19,977,829	75,369		
83	369 Measuring and Regulating Station Equipment	8,398,581	310,431		
84	370 Communication Equipment	3,504,124			
85	371 Other Equipment	50,475			
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	111,300,231	473,668		
87	DISTRIBUTION PLANT				
88	374 Land and Land Rights				
89	375 Structures and Improvements				
90	376 Mains				
91	377 Compressor Station Equipment				
92	378 Measuring and Regulating Station Equipment-General				
93	379 Measuring and Regulating Station Equipment-City Gate				
94	380 Services				
95	381 Meters				
96	382 Meter Installations				
97	383 House Regulators				
98	384 House Regulator Installations				
99	385 Industrial Measuring and Regulating Station Equipment				
100	386 Other Property on Customers' Premises				
101	387 Other Equipment				
102	TOTAL Distribution Plant (Enter Total of lines 88 thru 101)				
103	GENERAL PLANT				
104	389 Land and Land Rights	12,749			
105	390 Structures and Improvements	103,962			
106	391 Office Furniture and Equipment	227,200	10,384		
107	392 Transportation Equipment	1,570,953	417,563		
108	393 Stores Equipment	1,122			
109	394 Tools, Shop, and Garage Equipment	122,052			
110	395 Laboratory Equipment	60,226			
111	396 Power Operated Equipment	414,546	187,883		
112	397 Communication Equipment	108,459			
113	398 Miscellaneous Equipment	26,603			
114	Subtotal (Enter Total of lines 104 thru 113)	2,647,872	615,830		
115	399 Other Tangible Property				
116	TOTAL General Plant (Enter Total of lines 114 and 115)	2,647,872	615,830		
117	TOTAL (Accounts 101 and 106)	118,403,072	1,817,562		
118	Gas Plant Purchased (See Instruction 8)				
119	(Less) Gas Plant Sold (See Instruction 8)				
120	Experimental Gas Plant Unclassified				
121	TOTAL Gas Plant In Service (Enter Total of lines 117 thru 120)	118,403,072	1,817,562		

Name of Respondent Paiute Pipeline Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
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**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81	1,752			78,508,688
82	13,409			20,039,789
83	154,682			8,554,330
84				3,504,124
85				50,475
86	169,843			111,604,056
87				
88				
89				
90				
91				
92				
93				
94				
95				
96				
97				
98				
99				
100				
101				
102				
103				
104				12,749
105				103,962
106	23,988			213,596
107	129,936			1,858,580
108				1,122
109				122,052
110				60,226
111	48,155			554,274
112	24,884			83,575
113				26,603
114	226,963			3,036,739
115				
116	226,963			3,036,739
117	397,286			119,823,348
118				
119				
120				
121	397,286			119,823,348

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec 31, 2002
Paiute Pipeline Company			
<b>General Information on Plant and Operations</b>			

1. In the space below provide a brief description of the plant and operations of the respondent.
2. State the name and location of the fields in which the respondent operates, the number of acres of operated gas lands, number of gas wells, miles of gathering lines, miles of transmission lines, number and capacity of compressor stations, and other information which will give a general idea of the size and nature of the facilities operated by the respondent in the production, gathering, transmission and storage of natural gas.
3. Provide details covering any important changes in the scope of respondent's operations during the report year.

1. Paiute operates a transmission system extending from the Idaho-Nevada border to the Reno, Sparks, and Carson City areas and communities in northern and western Nevada. The FERC regulates the northern Nevada transmission facilities of Paiute and the rates charged for the transportation of gas directly to Sierra Pacific Power Company, Avista Utilities, and Southwest Gas Corporation. The Paiute system includes an LNG facility, which is used to provide third-party gas storage services on a contract basis.
- 2&3. Total plant investment is represented by a pipeline system and related facilities, consisting principally of 834 miles of transmission mains and six compressor stations, with a combined capacity of 20,560 horsepower. Total gas plant at December 31, 2002 was \$120 million, including construction work in progress. Paiute also leases an LNG plant and related transmission facilities. See Note 3 of the Notes to the Financial Statements.

Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
<b>Gas Property and Capacity Leased from Others</b>					
<p>1. Report below the information called for concerning gas property and capacity leased from others for gas operations.</p> <p>2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).</p>					
Line No.	Name of Lessor (a)	*	Description of Lease (c)	Lease Payments for Current Year (d)	
1	PSEG Resources, Inc.		LNG plant and 61 miles of transmission main located in northern Nevada	6,670,352	
2					
3					
4					
5					
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16					
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31					
32					
33					
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41					
42					
43					
44					
45	Total			6,670,352	



Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
<b>Accumulated Provision for Depreciation of Gas Utility Plant (Account 108) (continued)</b>					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> <p>5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.</p>					
Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
16	Productions-Manufactured Gas				
17	Production and Gathering-Natural Gas				
18	Products Extraction-Natural Gas				
19	Underground Gas Storage				
20	Other Storage Plant	2,012,368	2,012,368		
21	Base Load LNG Terminaling and Processing Plant				
22	Transmission	39,674,517	39,674,517		
23	Distribution				
24	General	768,830	768,830		
25	TOTAL (Total of lines 16 thru 24)	42,455,715	42,455,715		

Name of Respondent Paiute Pipeline Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
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**Other Regulatory Assets (Account 182.3)**

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Year (b)	Debits (c)	Written off During Year Account Charged (d)	Written off During Year Amount (e)	Balance at End of Year (f)
1	Future recovery of income tax benefits previously flowed through, Net	592,412	1,656,275	283	222,017	2,026,670
2	(Remaining amortization period is 118 months at current amortization level.)					
3						
4						
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6						
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33						
34						
35						
36						
37						
38						
39						
40	<b>Total</b>	592,412	1,656,275		222,017	2,026,670

Name of Respondent Paiute Pipeline Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
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### CAPITAL STOCK DATA

- Report below the details called for concerning common stock and long-term debt.
- The total amount outstanding reflected in column (f) for Capital Stock Data refers to total amount outstanding without reduction for amounts held by respondent.

Line No.	Class and Series of Stock (Add lines as necessary to report all data) (a)	Number of Shares Authorized (b)	Par Value Per Share of Par Value Stock (c)	Stated Value Per Share of Nonpar Stock (d)	Outstanding Per Balance Sheet Shares (e)	Outstanding Per Balance Sheet Amount (f)
1	Common Stock	25,000	1.00		10.00	10.00
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						

### LONG-TERM DEBT

Line No.	Class and Series of Obligation (Add lines as necessary to report all data.) (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest for Year % Rate (e)	Interest for Year Amount (f)
16	Advances from Southwest Gas	08/01/1988		15,245,534		
17	Corporation					
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
	<b>Total</b>			15,245,534		



Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
<b>Gas Operating Revenues</b>					
1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages. 2. Revenues in columns (b) and (c) include transition costs from upstream pipelines. 3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.					
Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480-484 Sales				
2	485 Intracompany Transfers				
3	487 Forfeited Discounts				
4	488 Miscellaneous Service Revenues				
5	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
6	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities			83,186	87,744
7	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
8	489.4 Revenues from Storing Gas of Others				
9	490 Sales of Prod. Ext. from Natural Gas				
10	491 Revenues from Natural Gas Proc. by Others				
11	492 Incidental Gasoline and Oil Sales				
12	493 Rent from Gas Property				
13	494 Interdepartmental Rents				
14	495 Other Gas Revenues				
15	Subtotal:			83,186	87,744
16	496 (Less) Provision for Rate Refunds				
17	TOTAL:			83,186	87,744

Name of Respondent Paiute Pipeline Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, <u>2002</u>
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**Gas Operating Revenues**

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.  
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.  
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues  Amount for Current Year (f)	Other Revenues  Amount for Previous Year (g)	Total Operating Revenues  Amount for Current Year (h)	Total Operating Revenues  Amount for Previous Year (i)	Dekatherm of Natural Gas  Amount for Current Year (j)	Dekatherm of Natural Gas  Amount for Previous Year (k)
1						
2						
3						
4						
5						
6	22,827,402	22,892,068	22,910,588	22,979,812	39,612,260	40,402,889
7						
8						
9						
10						
11						
12						
13						
14	7,762,461	7,805,615	7,762,461	7,805,615		
15	30,589,863	30,697,683	30,673,049	30,785,427		
16						
17	30,589,863	30,697,683	30,673,049	30,785,427		







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Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
<b>Gas Operation and Maintenance Expenses(continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	711,027	707,330	
181	851 System Control and Load Dispatching	770,743	593,768	
182	852 Communication System Expenses	147,765	190,418	
183	853 Compressor Station Labor and Expenses	25,753	38,262	
184	854 Gas for Compressor Station Fuel	0	0	
185	855 Other Fuel and Power for Compressor Stations	55,412	45,375	
186	856 Mains Expenses	31,288	39,875	
187	857 Measuring and Regulating Station Expenses	95,846	115,546	
188	858 Transmission and Compression of Gas by Others	0	0	
189	859 Other Expenses	257	5,415	
190	860 Rents	2,111,468	2,173,058	
191	TOTAL Operation (Total of lines 180 thru 190)	3,949,559	3,909,047	
192	Maintenance			
193	861 Maintenance Supervision and Engineering	309,852	294,802	
194	862 Maintenance of Structures and Improvements	64	80	
195	863 Maintenance of Mains	696,414	686,767	
196	864 Maintenance of Compressor Station Equipment	596,398	577,566	
197	865 Maintenance of Measuring and Regulating Station Equipment	530,611	445,672	
198	866 Maintenance of Communication Equipment	21,324	40,601	
199	867 Maintenance of Other Equipment	0	0	
200	TOTAL Maintenance (Total of lines 193 thru 199)	2,154,663	2,045,488	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	6,104,222	5,954,535	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	0	0	
205	871 Distribution Load Dispatching	0	0	
206	872 Compressor Station Labor and Expenses	0	0	
207	873 Compressor Station Fuel and Power	0	0	



Name of Respondent Paiute Pipeline Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
<b>Gas Operation and Maintenance Expenses(continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	0	0	
236	905 Miscellaneous Customer Accounts Expenses	0	0	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	17,213	35,892	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0	0	
241	908 Customer Assistance Expenses	0	0	
242	909 Informational and Instructional Expenses	0	0	
243	910 Miscellaneous Customer Service and Informational Expenses	0	0	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	0	0	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	0	0	
248	912 Demonstrating and Selling Expenses	0	0	
249	913 Advertising Expenses	0	0	
250	916 Miscellaneous Sales Expenses	0	0	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	0	0	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	1,912,896	1,874,654	
255	921 Office Supplies and Expenses	512,485	489,788	
256	(Less) 922 Administrative Expenses Transferred-Credit	48,581	47,390	
257	923 Outside Services Employed	438,587	394,140	
258	924 Property Insurance	88,145	69,685	
259	925 Injuries and Damages	130,260	12,202	
260	926 Employee Pensions and Benefits	949,533	880,594	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	85,239	102,767	
263	(Less) 929 Duplicate Charges-Credit	0	0	
264	930.1 General Advertising Expenses	0	0	
265	930.2 Miscellaneous General Expenses	192,327	175,753	
266	931 Rents	1,515,540	1,608,744	
267	TOTAL Operation (Total of lines 254 thru 266)	5,776,431	5,560,937	
268	Maintenance			
269	932 Maintenance of General Plant	89,595	83,492	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	5,866,026	5,644,429	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	17,880,125	17,532,348	

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[Next page is 520]

Name of Respondent Paiute Pipeline Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
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**Gas Account - Natural Gas**

- The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
- Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
- If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.
- Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
- Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
- Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.

Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (c)
----------	-------------	----------------------	----------------------

**01 Name of System:**

2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		
4	Gas of Others Received for Gathering (Account 489.1)	303	
5	Gas of Others Received for Transmission (Account 489.2)	305	39,612,260
6	Gas of Others Received for Distribution (Account 489.3)	301	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	
8	Exchanged Gas Received from Others (Account 806)	328	
9	Gas Received as Imbalances (Account 806)	328	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as Compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify) (footnote details)		
15	Total Receipts (Total of lines 3 thru 14)		39,612,260
16	GAS DELIVERED		
17	Gas Sales (Accounts 480-484)		
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	39,612,260
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	
22	Exchange Gas Delivered to Others (Account 806)	328	
23	Gas Delivered as Imbalances (Account 806)	328	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	
27	Other Deliveries (Specify) (footnote details)		
28	Total Deliveries (Total of lines 17 thru 27)		39,612,260
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total of lines 30 thru 35)		

Name of Respondent Paiute Pipeline Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2002
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**Gas Account - Natural Gas (continued)**

Line No.	Item  (a)	Ref. Page No. (b)	Amount of Dth (c)
37	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		39,612,260

Name of Respondent Paiute Pipeline Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec 31, 2002
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 5 Column: a**

Amortization of Limited Gas Plant \$286,572

**Schedule Page: 120 Line No.: 27 Column: a**

Current Year

Net Salvage	\$	0
Cost of Removal		(9,450)
Transfer		<u>1,646</u>
Total	\$	<u>(7,804)</u>

Previous Year

Net Salvage	\$	0
Cost of Removal		(42,161)
Transfer		<u>19,133</u>
Total	\$	<u>(23,028)</u>

Name of Respondent Paiute Pipeline Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec 31, 2002
FOOTNOTE DATA			

**Schedule Page: 317 Line No.: 3 Column: b**

Paiute Pipeline Company  
FERC Form 2-A  
December 31, 2002  
Supplemental Page 317

Manufactured Gas Production

Operations	Amount
710 Operation, Supervision & Engineering	(13,440)
712 Other Power Expenses	21
717 Liquefied Petroleum Gas Expense	340
723 Fuel for Liquefied Petroleum Gas Process	0
728 Liquefied Petroleum Gas	0
	<u>(13,079)</u>

Maintenance

740 Supervision & General	0
741 Maintenance, Structures & Improvements	9,243
742 Maintenance of Production Equipment	0
	<u>9,243</u>

Total Operations and Maintenance	<u><u>(3,836)</u></u>
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Name of Respondent Paiute Pipeline Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec 31, 2002
FOOTNOTE DATA			

**Schedule Page: 520 Line No.: 14 Column: a**

Footnote Number 1  
Pursuant to instruction #7 on page 520, at 12/31/02, Paiute has 902,291 MMBtu in its LNG storage facility on behalf of its customers.